

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

RADNOR HOLDINGS
CORPORATION, et al.,

Debtors.

Chapter 11

Case No. 06-10894 (PJW)

Jointly Administered

Related Docket No. 512

**APPELLEE'S STATEMENT OF ADDITIONAL ISSUES ON APPEAL AND
DESIGNATION OF ADDITIONAL ITEMS TO BE INCLUDED IN THE
RECORD WITH RESPECT TO APPEAL OF ORDER GRANTING
OFFICIAL COMMITTEE OF UNSECURED CREDITORS STANDING TO
PROSECUTE ACTIONS ON BEHALF OF THE DEBTORS' ESTATES
AGAINST TENNENBAUM CAPITAL PARTNERS, LLC, SPECIAL VALUE
EXPANSION FUND, LLC, SPECIAL VALUE OPPORTUNITIES FUND, LLC,
AND JOSE E. FELICIANO, AND RELATED RELIEF**

The appellee in the above-captioned jointly administered bankruptcy cases, the Official Committee of Unsecured Creditors (the "**Committee**") of Radnor Holdings Corp., *et al.* (collectively, the "**Debtors**"), by and through its undersigned counsel, hereby files this (i) statement of additional issues on appeal and (ii) designation of additional items to be included in the record pursuant to Federal Rule of Bankruptcy Procedure 8006 in connection with this appeal of the Order Granting the Official Committee of Unsecured Creditors Standing to Prosecute Actions on Behalf of the Debtors' Estates Against Tennenbaum Capital Partners, LLC, Special Value Expansion Fund, LLC, Special Value Opportunities Fund, LLC, and Jose E. Feliciano and Related Relief (Docket No. 512) (the "**Standing Order**"), entered by the United States Bankruptcy Court for the District of Delaware (the "**Bankruptcy Court**") on October 30, 2006.

The Committee agrees with the initial description of the procedural background of this appeal set forth in the Debtors' Statement of Issues on Appeal. (Docket No. 614, at 2-3). Following the entry of the Standing Order, on October 31, 2006, the Committee filed its Complaint in the adversary proceeding, *The Official Committee of Unsecured Creditors of*

Radnor Holdings Corporation, et al. v. Tennenbaum Capital Partners, LLC, et al., Adv. Proc. No. 06-50909 (the “**Adversary Proceeding**”). On November 1, 2006, the Debtors filed an Emergency Motion to Join Adversary Proceeding or, in the Alternative, to Intervene as of Right (the “**Motion to Intervene**”). The Bankruptcy Court granted the Motion to Intervene by oral ruling on November 2, 2006, granting the Debtors leave to intervene in the Adversary Proceeding as nominal defendants. Trial in the Adversary Proceeding commenced on November 2, 2006, and concluded on November 14, 2006. Counsel for the Debtors attended and participated in the trial. On November 16, 2006, the Bankruptcy Court entered a Judgment in Favor of Defendants On All Counts (the “**Adversary Judgment**”). On November 21, 2006, the Bankruptcy Court entered an Order (With Revisions) (1) Approving Sale of Substantially All of Debtors’ Assets Free and Clear of All Liens, Claims, Interests and Encumbrances; (2) Approving Assumptions and Assignment of Certain Contracts and Leases; and (3) Granting Related Relief (the “**Sale Order**”).

STATEMENT OF ADDITIONAL ISSUES ON APPEAL

1. Whether Debtors have waived the present appeal as a result of filing the Motion to Intervene and participating at trial in the Adversary Proceeding.
2. Whether the present appeal is moot.
3. Whether the present appeal is an improper appeal of an interlocutory order.

DESIGNATION OF ADDITIONAL ITEMS TO BE INCLUDED IN THE RECORD


The Committee designates the additional items set forth below to be included in the record on appeal:

Appeal Record No.	Docket No.	Date	Document
34	144	9/11/06	Objection to Debtors' Motion for Order, Pursuant to 11 U.S.C. Sections 105, 361, 362, 363, 364 and Federal Rule of Bankr. Procedure 4001; (I) Authorizing Debtors (A) to Obtain Post-Petition Financing and (B) to Utilize Cash Collateral; (II) Granting Adequate Protection to Pre-Petition Secured Parties, and (III) Scheduling Interim and Final Hearings filed by Official Committee of Unsecured Creditors
35	161	9/13/06	Objection to Debtors' Application for Order Under Bankr. Code Sections 327(e) and 1107(a) and Bankr. Rules 2014 and 2016 Authorizing Employment and Retention of Wilmer Cutler Pickering Hale and Dorr LLP as Special Investigative Counsel to the Company Acting through the Special Committee of the Board of Directors of Radnor Holdings Corporation Nunc Pro Tunc to August 25, 2006 filed by Official Committee of Unsecured Creditors
36	172	9/13/06	Objection to Debtors' Motion For (I) An Order (A) Establishing Bidding Procedures Relating To The Sale Of The Debtors' Assets, (B) Scheduling A Hearing To Consider The Proposed Sale And Approving The Form And Manner Of Notice Thereof, (C) Establishing Procedures Relating To The Assumption And Assignment Of Certain Executory Contracts And Unexpired Leases, Including Notice Of Proposed Cure Amounts, (D) Approving Bid Protections, And (E) Granting Certain Related Relief; And (Ii) An Order (A) Approving The Proposed Sale, (B) Authorizing The Assumption And Assignment Of Certain Executory Contracts And Unexpired Leases, And (C) Granting Certain Related Relief filed by Official Committee of Unsecured Creditors
37	1A ¹	10/31/06	Complaint
38	9A	11/1/06	Emergency Motion to Join Adversary Proceeding or, in the Alternative, to Intervene as of Right
39	620	11/14/06	Transcript of Trial held on November 2, 2006
40	38A	11/16/06	Judgment in Favor of Defendants On All Counts
41	41A	11/16/06	Amended Findings of Fact and Conclusions of Law
42	42A	11/20/06	Notice of Appeal of Judgment filed by The Official Committee of Unsecured Creditors

¹ The designation "A" has been added to docket items from the Adversary Proceeding, No. 06-50909, to distinguish those items from docket items in the underlying bankruptcy, No. 06-10894.

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